



CONNECTICUT REALTORS®

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## Statement on

### **SB 21, AN ACT ESTABLISHING A STATE-WIDE PROPERTY TAX ON CERTAIN RESIDENTIAL REAL PROPERTY**

### **OPPOSE**

Submitted to the Finance Revenue and Bonding Committee  
March 3, 2022

By Connecticut REALTORS®

Connecticut REALTORS® (CTR) submits this testimony in **OPPOSITION** of **SB 21, AN ACT ESTABLISHING A STATE-WIDE PROPERTY TAX ON CERTAIN RESIDENTIAL REAL PROPERTY**. CTR represents over 19,000 members involved in all aspects of real estate in Connecticut. CTR's members work with thousands of buyers, sellers, landlords and tenants annually.

**SB 21** establishes a statewide property tax at the rate of 2 mills on residential real property with an assessed value of greater than one million two hundred thousand dollars. The proposal plans to dedicate such revenue to fund excess cost grants under subsection (b) of section 10-76g of the general statutes and settlement costs of the Sheff v. O'Neill lawsuit.

CTR strongly opposes this legislation and any statewide property tax proposal for any purpose. Property owners already shoulder the burden of municipal costs. In high-cost areas, residents are often priced out of their homes that have increased in value over time because they can no longer afford the property taxes. The state should not make homes in Connecticut even less affordable than they already are by placing new tax burdens on property owners.

Connecticut continues to target homeowners of what are perceived to be “mansions” or properties owned only by wealthy people. In many of our cities and towns, a property assessed at \$1.2 million represents an average-priced home.

In addition, for residents who do have wealth, why would we discourage these buyers from coming to Connecticut or building new homes here? Traditionally, these are the residents who already pay income taxes important to the state and property taxes important to their municipalities. They likely use funds locally and get involved at higher amounts in philanthropic activities. Do we really want to find more reasons to push wealthy residents away from Connecticut?

The limitation the federal government gave to SALT deductions hit property owners in Connecticut especially hard as well. Homeowners cannot be continuously penalized for owning a home.

If there is a purpose the state needs to enact, the state needs to identify the funds through its own budgeting process, by cutting programs or expenses to free up more existing tax funds for other purposes.

What Connecticut property owners need is property tax relief, not higher property taxes. Retirees wishing to remain in Connecticut are hit especially hard with expanded taxes as they often have a fixed income to work with. They aren't prepared for the burden of higher property taxes.

The pandemic and inflation have made a profound impact on income for a vast number of Connecticut residents. The money earned is often needed to pay their mortgage, insurance, food, medicine, transportation, student loans, local property taxes, car taxes, and much more.

This new tax is unfair, unimaginable, and wrong. CTR strongly opposes this legislation. CTR believes this bill is incredibly harmful to the housing market and property owners in Connecticut and we urge your opposition.

CTR requests your **rejection** of **SB 21, AN ACT ESTABLISHING A STATE-WIDE PROPERTY TAX ON CERTAIN RESIDENTIAL REAL PROPERTY**. Thank you very much for your time and attention to this important matter.